



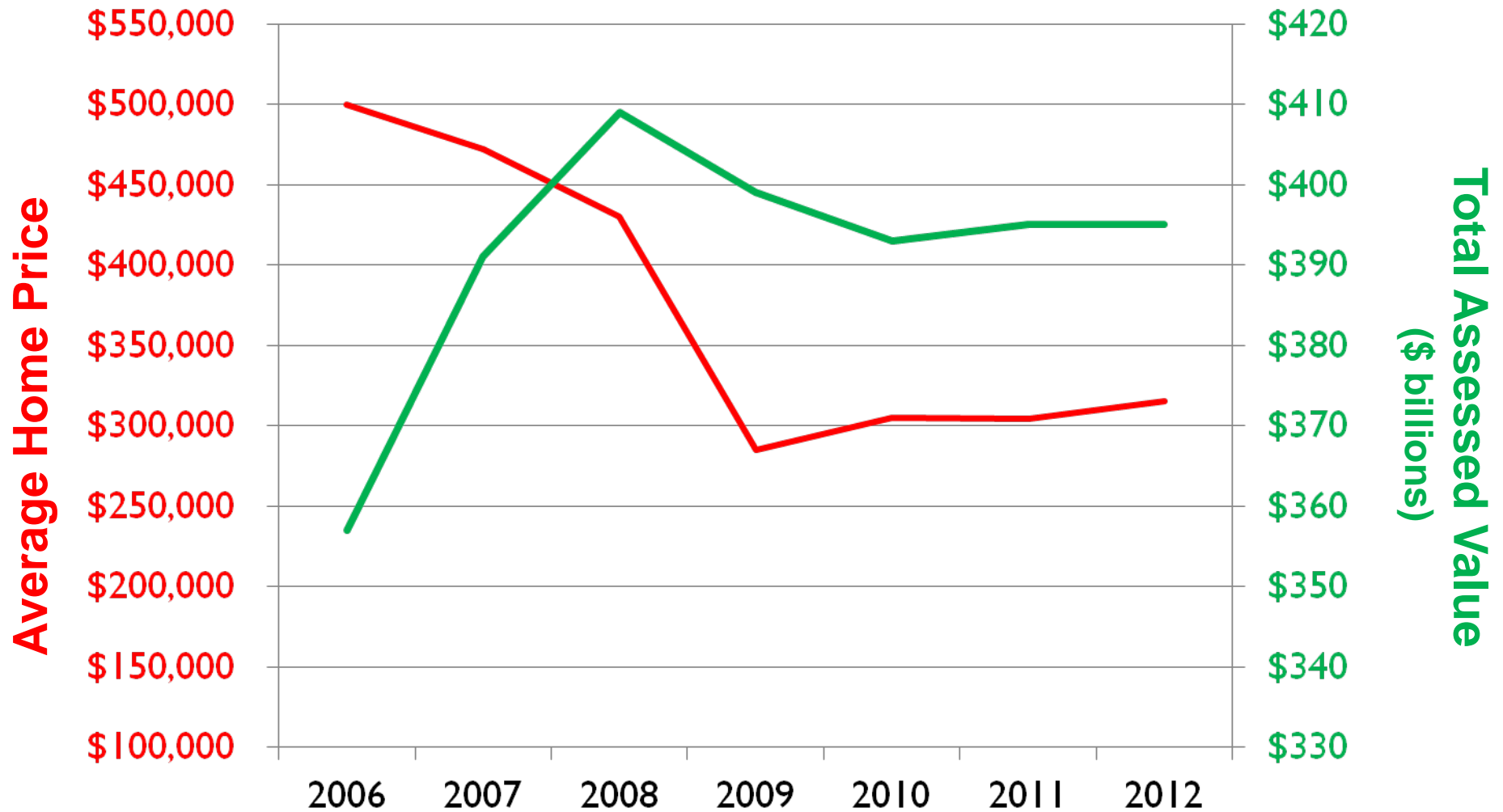
Predicting the Real Estate Upturn?

Ernest J. Dronenburg Jr.

County of San Diego

Assessor/Recorder/County Clerk

Average Home Price vs. Total Assessed Value

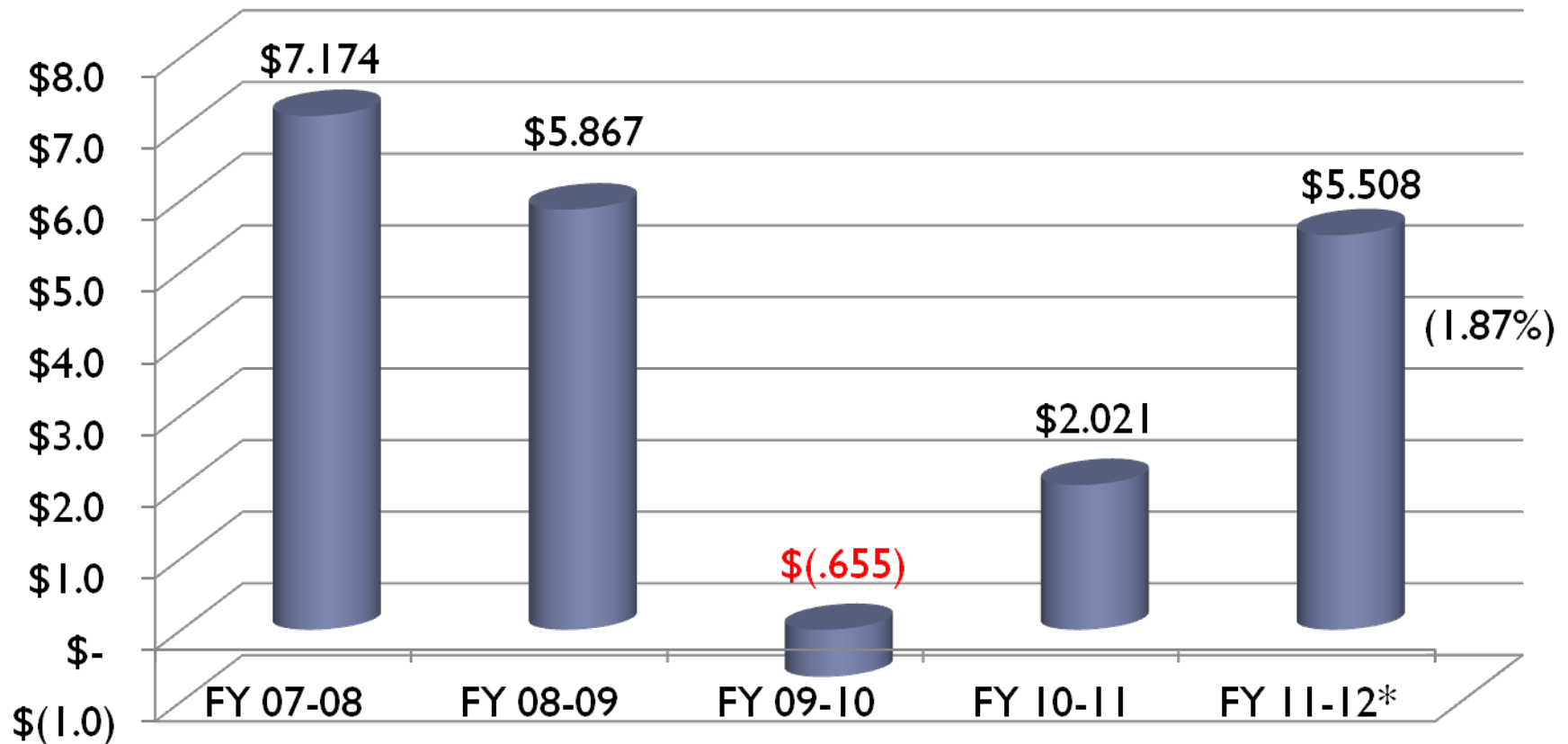


Key Elements of the Change in the Annual Property Tax Roll

- ▶ Properties with Prop 13 base indexing
- ▶ Properties that have changed ownership
- ▶ Properties that completed construction this year
- ▶ Unsecured properties changes
- ▶ Properties with Prop 8 reduction, and appeals
- ▶ Miscellaneous roll reductions

Prop 13 Base Indexing- \$5.508b

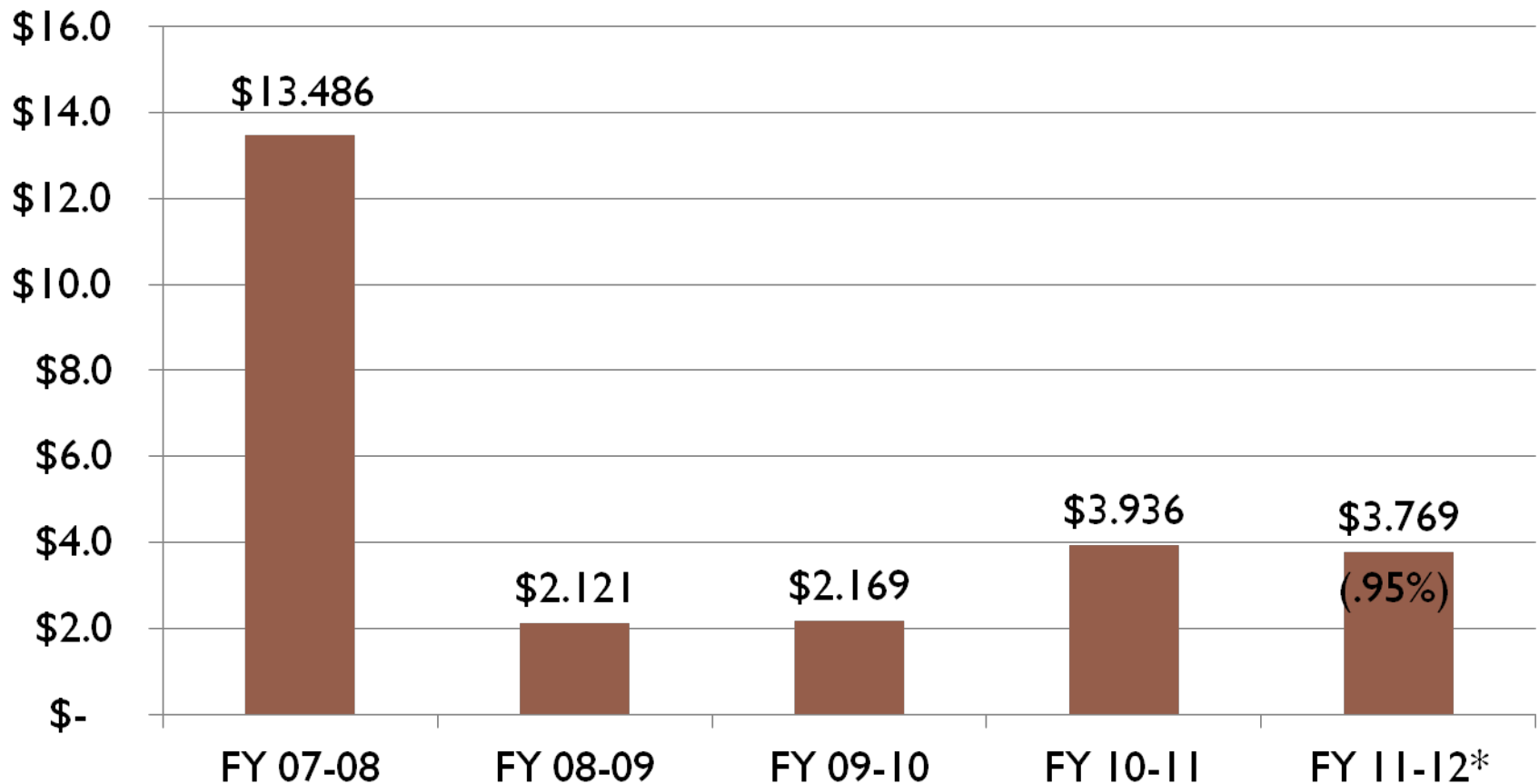
Prop 13 Base Indexing (billions)



* projected

Properties that Changed Ownership- \$3.769b

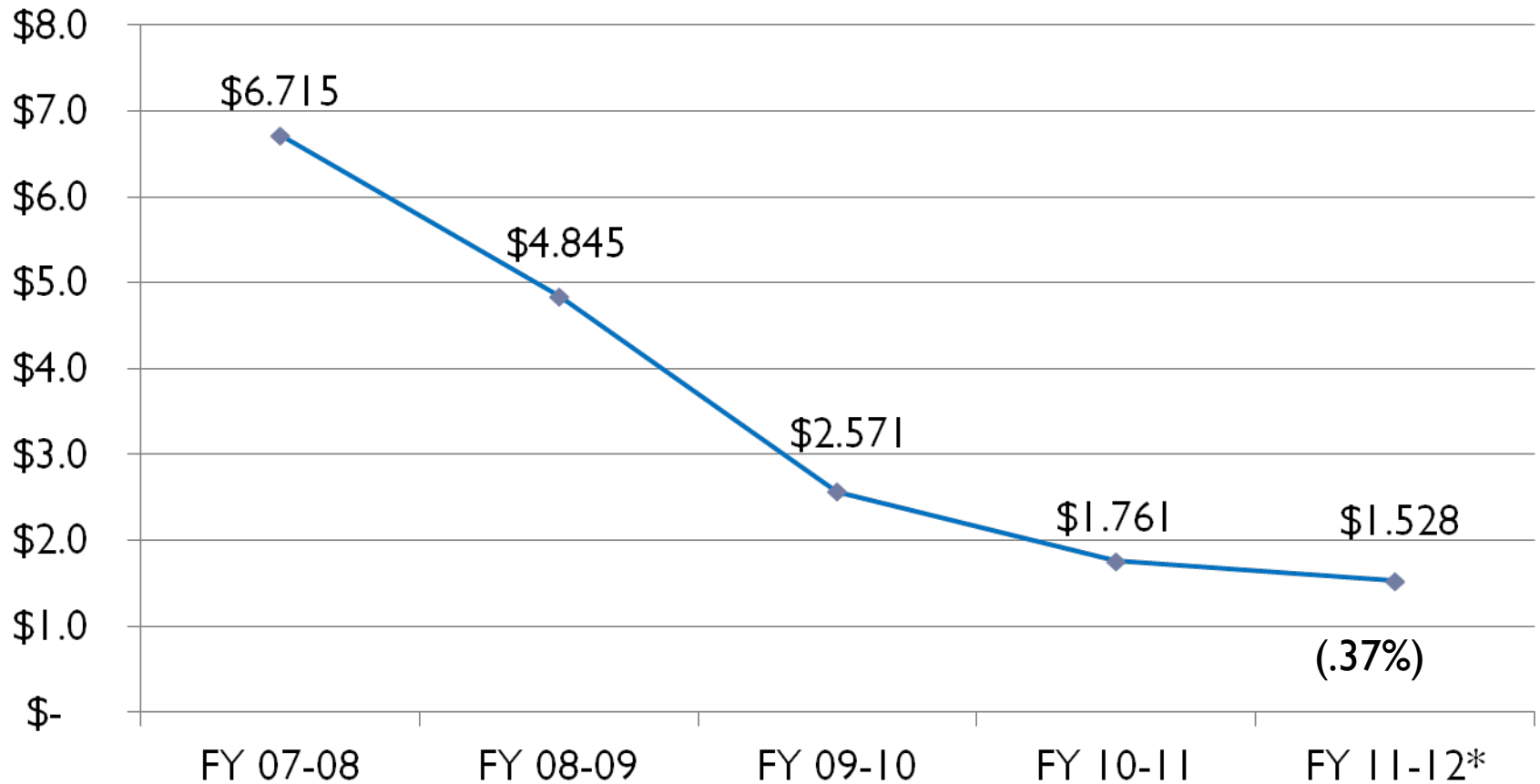
Ownership Change (billions)



* projected

Properties that have Completed Construction - \$1.528b

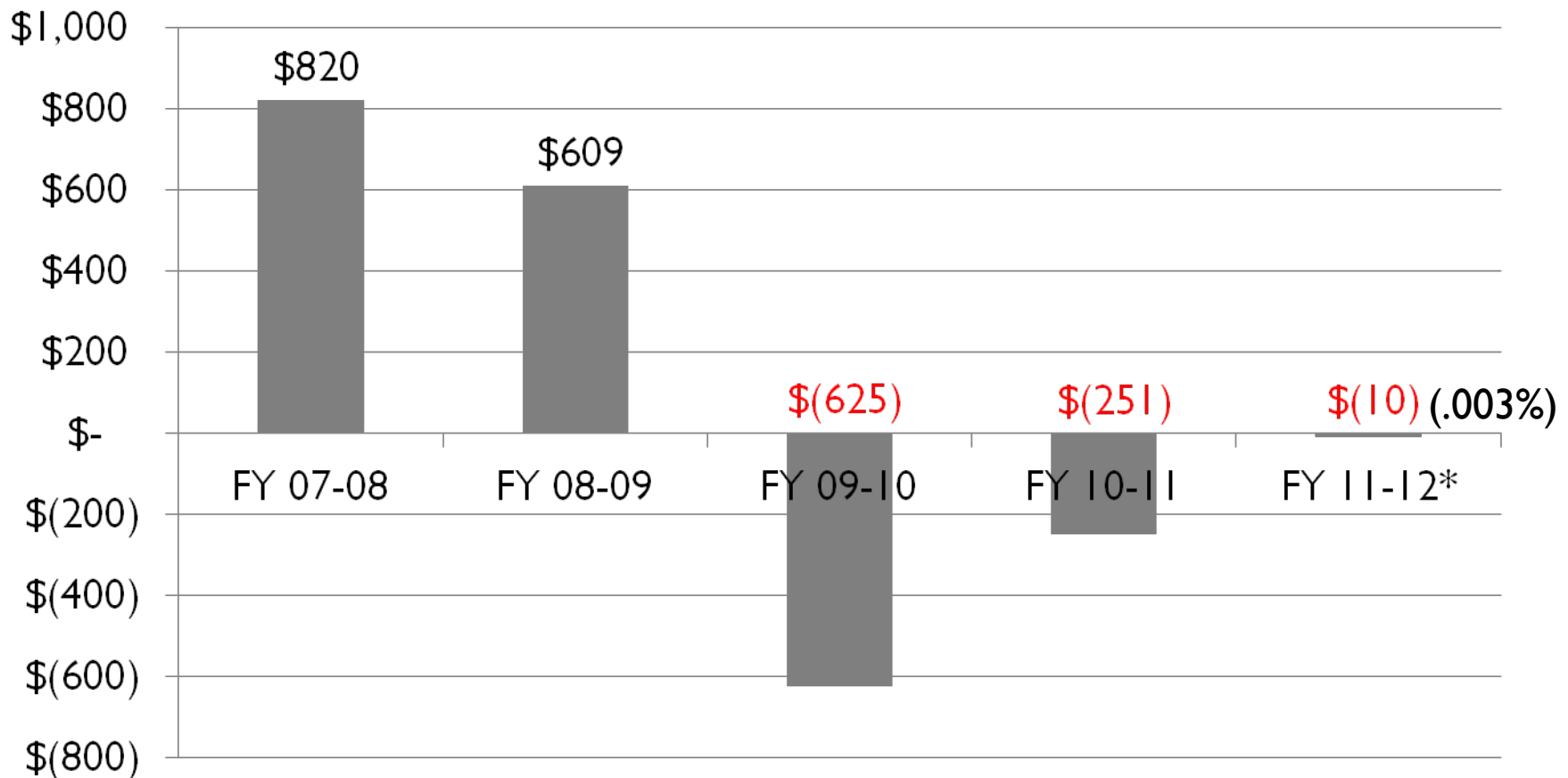
Completed Construction (billions)



* projected

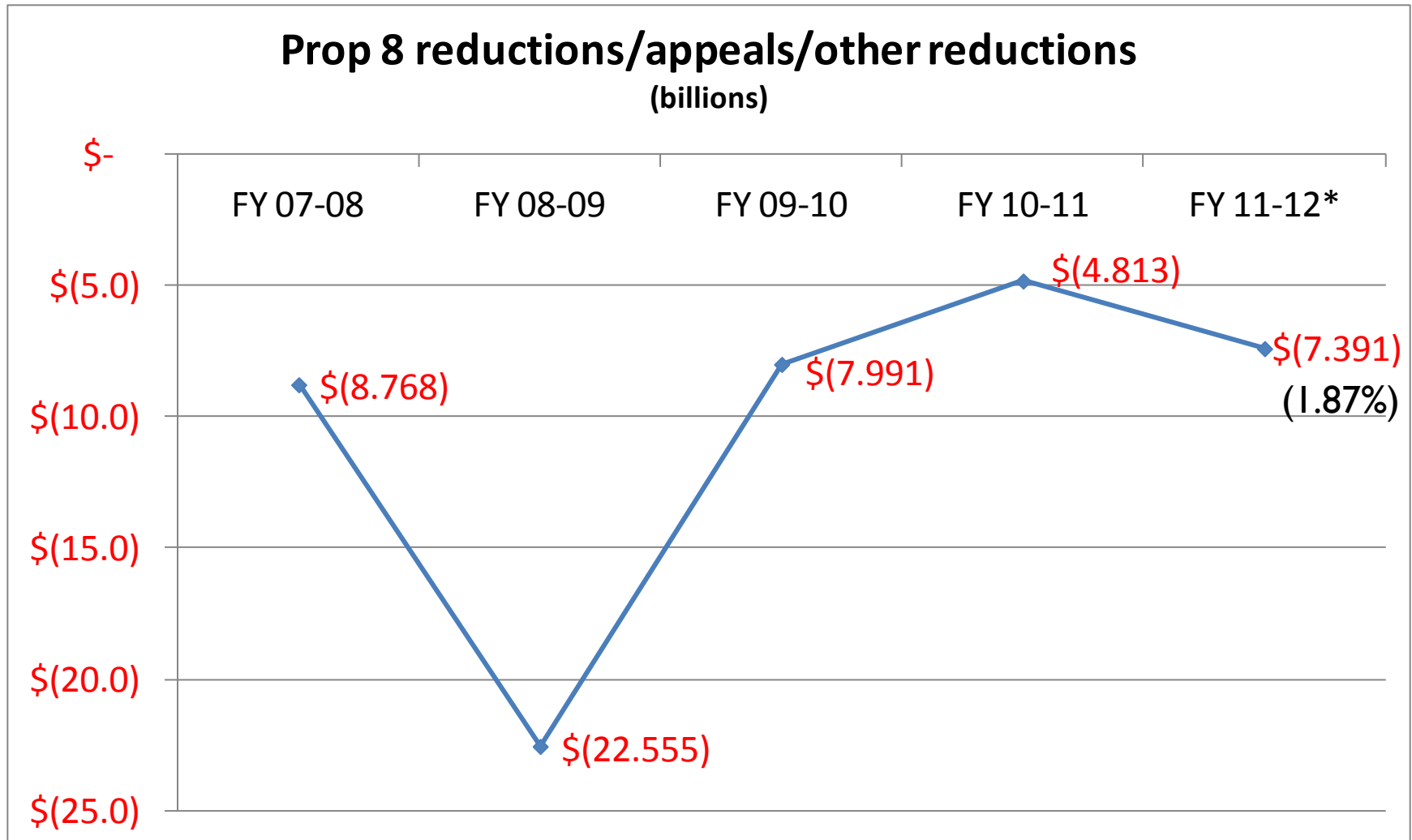
Unsecured Properties Assessed Value Changes - \$(10)m

Unsecured Properties Changes (millions)



* projected

Properties with Prop 8 Reduction, and Appeals Finalized - \$7.391b



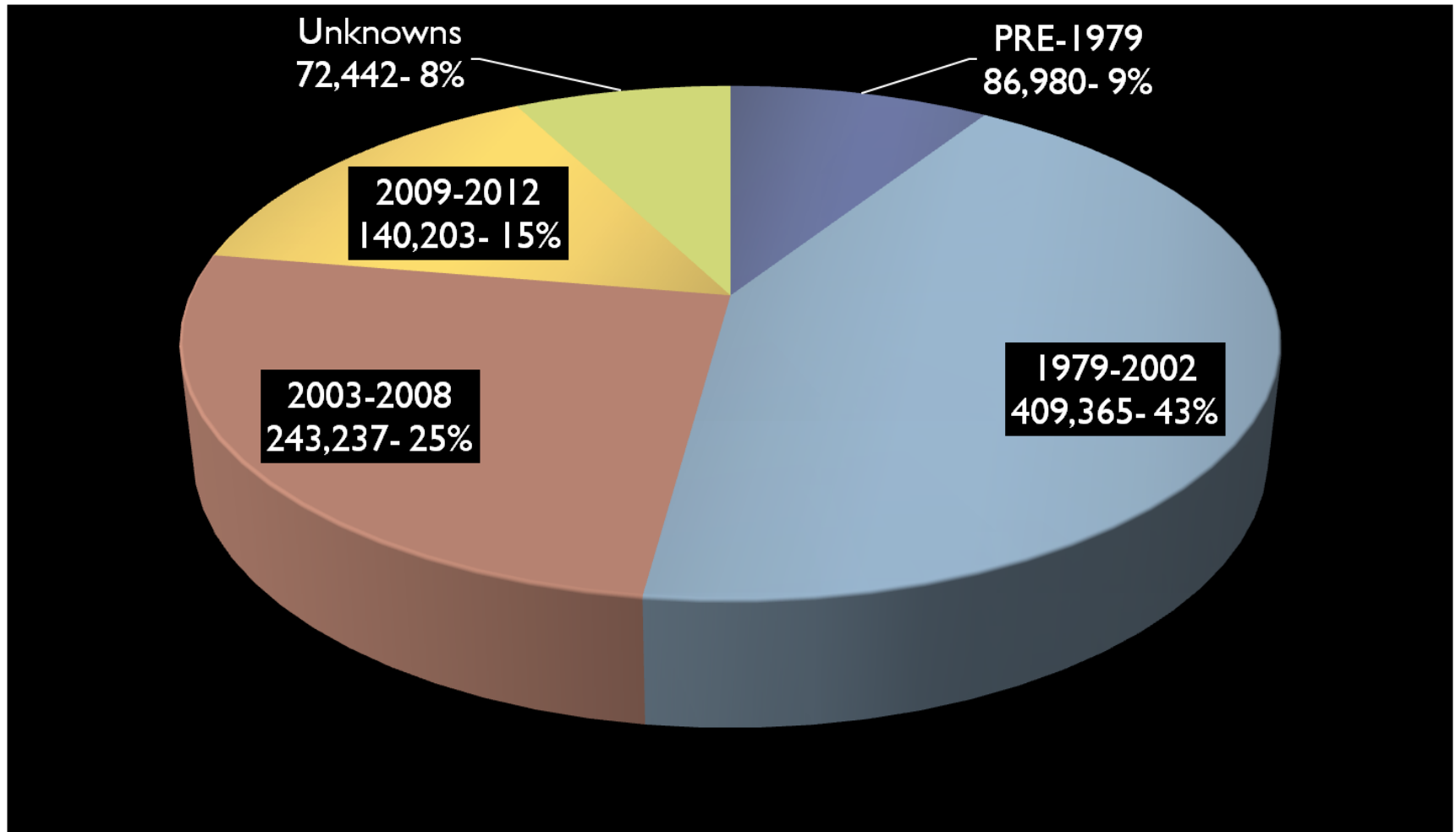
* projected

Estimated Fiscal Year 2012-13 Tax Roll Value

Changes	2012-13 Estimated Total
Prop 13 Base Indexing	\$ 5.508 B
Changed Ownership	\$ 3.769 B
Construction Completed	\$ 1.528 B
Unsecured Properties Changes	\$ (10 M)
Prop 8 Reductions/Appeals/Other Reductions	\$(7.391B)
Other Properties	\$(1.025B)
Estimated Total	\$2.379 B (a)

(a) \$2.379B is .60% of \$395.706B total Fiscal Year 2011-12 Assessed Value

Number of Base Year Value Established Upon Last 100% Change in Ownership



Level of Confidence in Our Prediction

▶ Prop 13 Base Indexing (2% factor)	100%
▶ Changed Ownership (60%)	100%
▶ Construction completed (25%)	90%
▶ Unsecured Properties	50%
▶ Prop 8 reduction and appeals	85%
▶ <u>Other Properties</u>	<u>90%</u>
▶ Overall Weight Average	95% (a)

(a) Downward bias

PredictingThis Year and Beyond

- ▶ This year on June 30 Tax Roll
 1. 2012-13: **0% change** in total Assessed Value
 2. Prop 13 bases up 2% (69% of property) CCPI 2+%
 3. A continue in the downward adjustments for properties purchased between 2005 and 2009
 4. Residential **down 2%** and **Commercial even**

Residential and Commercial

- ▶ Property Values This year and Beyond....
- ▶ This year **down 2%**

Beyond a slow **upward increase** in values the next 5 to 7 years

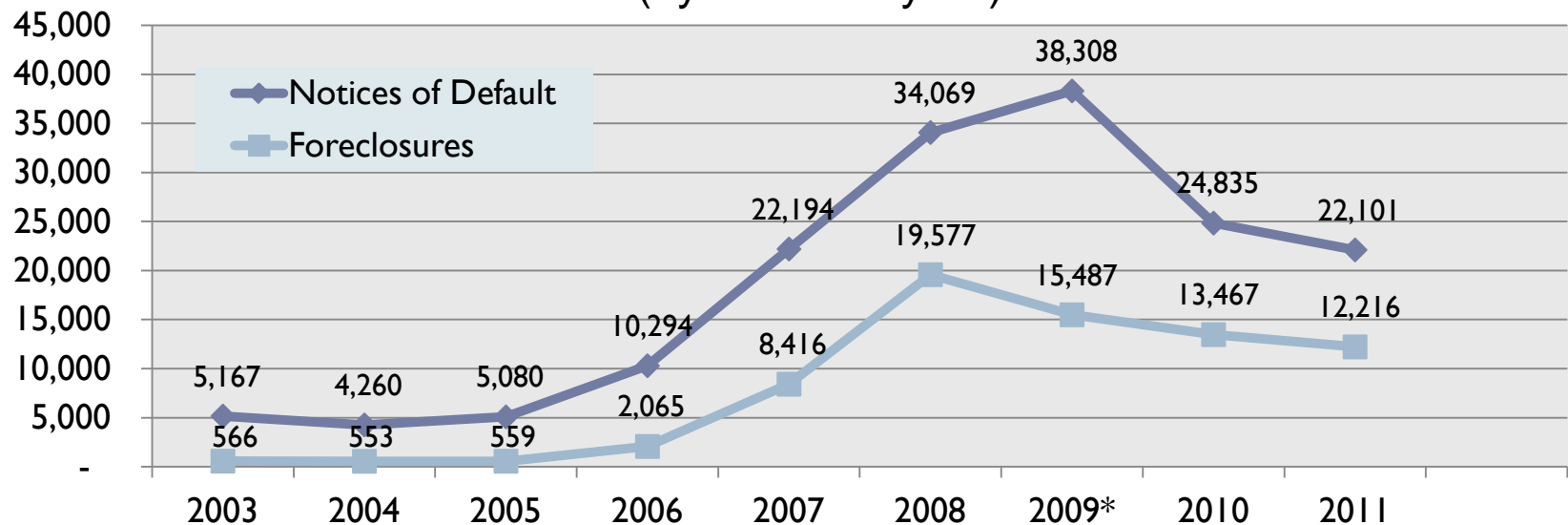
- ▶ 1. Depressed priced inventory – Phomtom inventory
- ▶ 2. Due to demographic changes
- ▶ 3. Slow GDP growth
- ▶ 4. Change in product choices

Historical Notices of default & Foreclosures

Notices of Default (NODs) and Foreclosures:

- 2010 to 2011: Foreclosures decreased 9%; Notices of Default decreased 11%
- 2009 to 2010: Foreclosures decreased 13%; Notices of Default increased 35%

Historical NODs and Foreclosures
(by calendar year)



* Senate Bill 1137 passed in September 2008, requiring lenders to physically contact borrowers prior to filing a NOD impacted the number of foreclosures from March – May 2009.

ARCC Services

- ▶ Property Valuation
- ▶ Research of Real Estate Documents and Maps
- ▶ Recording Real Estate Documents
- ▶ Vital Documents/Records: Birth, Death or Marriage Certificates
- ▶ Establishing and Recording of Fictitious Business Names
- ▶ Marriage Licenses and Ceremonies

Thank You

- ▶ Please visit us at www.sdarcc.com or any of our 5 locations:

- ▶ Downtown San Diego
- ▶ El Cajon
- ▶ San Marcos
- ▶ Chula Vista
- ▶ Kearny Mesa



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